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**UNITED STATES DISTRICT COURT
DISTRICT OF NEVADA**

DHAMAN GILL, *individually and on behalf
of all others similarly situated,*

Plaintiff,

v.

CAESARS ENTERTAINMENT, INC.,

Defendant.

Case No.

CLASS ACTION COMPLAINT

JURY TRIAL DEMANDED

CLASS ACTION COMPLAINT

Plaintiff Dhaman Gill (“Plaintiff” or “Mr. Gill”), individually on and on behalf of all similarly situated persons, by and through his undersigned counsel, files this Class Action Complaint against Caesars Entertainment, Inc. (“Caesars” or “Defendant”) and alleges the following based on personal

1 knowledge of facts pertaining to her, on information and belief, and based on the investigation of
2 counsel as to all other matters.

3 NATURE OF THE ACTION

4
5 1. Caesars is a gaming and hospitality company that owns, leases, brands, or manages
6 53 domestic properties in 18 states including Caesars Palace located on the Las Vegas Strip as well
7 as operating online gambling sites throughout the country. Caesars is a publicly traded company
8 and listed on the NASDAQ stock exchange with the ticket symbol “CZR”.¹

9 2. This class action arises out of a recent cyberattack and data breach (“Data Breach”),
10 which resulted in unauthorized actors viewing and accessing the personally identifiable
11 information (“PII”) of significant number of individuals who were members of Caesars’s loyalty
12 program.²

13
14 3. On or before September 7, 2023, Caesars identified suspicious activity in its IT
15 network resulting from a social engineering attack on an outsourced IT support vendor used by the
16 company. Through its investigation, Caesars determined that an unauthorized actor acquired,
17 among other data, a copy of its loyalty program database including driver’s license numbers and
18 Social Security numbers of its members.³ According to its online notice, Caesars is still
19 investigating whether any other additional data, or otherwise sensitive data was taken.⁴

20
21 4. Caesars’s carelessness, negligence, and lack of oversight and supervision caused its
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23 ¹ Form 10-Q, U.S. SEC. AND EXCH. COMM’N (Aug. 1, 2023),
24 <https://www.sec.gov/ix?doc=/Archives/edgar/data/1590895/000159089523000091/czr-20230630.htm> (last visited Oct. 3, 2023).

25 ² See Caesars’s Online Notice, Learn More, <https://response.idx.us/caesars/#learn-more> (last
26 visited Oct. 3, 2023).

27 ³ SEC Form 8-K, Caesars Entertainment, Inc. (Sept. 7, 2023),
<https://www.sec.gov/Archives/edgar/data/1590895/000119312523235015/d537840d8k.htm> (last
28 visited Oct. 4, 2023).

⁴ Caesars’s Online Notice, *supra* n. 2.

1 customers to lose all sense of privacy. Plaintiff and members of the Class have suffered irreparable
2 harm, including the exposure of their PII to nefarious strangers and their significantly increased
3 risk of identity theft. The information at issue here is the very kind of information that allows
4 identity thieves to construct false identities and invade all aspects of Plaintiff's and Class members'
5 lives. In addition to facing the emotional devastation of having such personal information fall into
6 the wrong hands, Plaintiff and Class members must now undertake additional security measures
7 and precautions to minimize their risk of identity theft.

9 5. Plaintiff's and the Class members' rights were disregarded by Caesars's negligent
10 or reckless failure to take adequate and reasonable measures to ensure its data systems were secure
11 and the PII entrusted to it would not be stolen. Caesars also failed to disclose the material fact that
12 it did not have adequate information security controls to safeguard PII, failed to supervise its third-
13 party vendors, failed to take foreseeable steps to prevent the Data Breach, and failed to monitor
14 and timely detect the Data Breach.

16 6. As a result of the Data Breach, Plaintiff's and Class members' PII has been and will
17 continue to be exposed to criminals for misuse.

19 7. Plaintiff brings this action individually and on behalf of the Class, seeking remedies
20 including, but not limited to, compensatory damages, reimbursement of out-of-pocket costs,
21 injunctive relief, reasonable attorneys' fees and costs, and all other remedies this Court deems
22 proper.

23 **PARTIES**

24 ***Plaintiff***

25 8. Plaintiff Dhaman Gill is a citizen and resident of the state of California. Plaintiff is
26 a member of Caesars's loyalty program, Caesars Rewards.

27 9. On September 14, 2023, Caesars filed a Form 8-K with the United States Security
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1 and Exchange Commission (“SEC”) to report that the Data Breach, a material event, had occurred.
2 Caesars reported an “unauthorized actor acquired a copy of, among other data, [its] loyalty program
3 database, which includes driver’s license numbers and/or Social Security numbers for a significant
4 number of members in the database.”⁵

5
6 10. Plaintiff has been a Caesars loyalty member for at least six years and entrusted
7 Caesars with his personal information, including his name, address, driver’s license number, email
8 address, phone number, Social Security number, and date of birth.

9 11. In its privacy policy, Caesars represented to Plaintiff and Class members that it is
10 committed to respecting Plaintiff and Class members’ data privacy, and that it maintained
11 “physical, electronic and organizational safeguards that reasonably and appropriately protect
12 against the loss, misuse and alteration of the information under our control.”⁶

13
14 12. Plaintiff and Class members entrusted confidential PII to Caesars for purpose of
15 participating in its loyalty program with the reasonable expectation, and mutual understanding, that
16 Caesars would comply with its obligations to keep such information confidential and secure from
17 unauthorized access, including thoroughly vetting all third parties it hired to ensure that they
18 employed adequate data security measures, procedures, protocols, and practices.

19 13. Because of the Data Breach, Plaintiff’s PII is now in the hands of criminals. Plaintiff
20 and all Class members are now imminently at risk of crippling future identity theft and fraud.

21 14. After learning of the Data Breach, Plaintiff spent considerable time investigating
22 the Data Breach. For instance, Plaintiff has spent time research the legitimacy of the Data Breach
23 and taking other steps in an attempt to mitigate the adverse consequences of the Data Breach
24 including changing passwords to his online accounts and placing a credit freeze on his credit. The
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28 ⁵ SEC Form 8-K, *supra* n. 3.

⁶ <https://www.caesars.com/corporate/privacy> (last visited Oct. 10, 2023).

1 Online Notice directed Plaintiff to take these actions.⁷

2 15. As a direct and proximate result of the Data Breach, Plaintiff will likely need to
3 purchase a lifetime subscription for identity theft protection and credit monitoring.

4 16. Plaintiff has been careful to protect and monitor his identity. Plaintiff has also
5 suffered injury directly and proximately caused by the Data Breach, including: (a) theft of
6 Plaintiff's valuable PII; (b) damages to and diminution in value of Plaintiff's PII that was entrusted
7 to Caesars with the understanding that Caesars would safeguard this information against disclosure;
8 (c) loss of the benefit of the bargain with Caesars to provide adequate and reasonable data
9 security—i.e., the difference in value between what Plaintiff should have received from Caesars
10 and Caesars's defective and deficient performance of that obligation by failing to provide
11 reasonable and adequate data security and failing to protect Plaintiff's PII; and (d) continued risk
12 to Plaintiff's PII, which remains in the possession of Caesars and which is subject to further
13 breaches, so long as Caesars fails to undertake appropriate and adequate measures to protect the
14 PII that was entrusted to Caesars.

15 ***Defendant***

16 17. Defendant Caesars Entertainment Inc. is a Delaware corporation with its principal
17 place of business located at 100 West Liberty Street, 12th Floor, Reno, Nevada 89501. Caesars can
18 be served via its registered agent, Corporation Service Company, 112 North Curry Street, Carson
19 City, Nevada 89703.

20 **JURISDICTION AND VENUE**

21 18. This Court has jurisdiction over this action under the Class Action Fairness Act, 28
22 U.S.C. § 1332(d)(2). The amount in controversy exceeds \$5 million, exclusive of interest and costs.

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28 ⁷ See Caesars's Online Notice, *supra* n. 2.

1 At least one member of the Class, defined below, is a citizen of a different state than Defendant,
2 and there are more than 100 putative Class members.

3 19. This Court has personal jurisdiction over Defendant because its principal place of
4 business is in this District, it regularly transacts business in this District, and upon information and
5 belief, some Class members reside in this District.

6 20. Venue is proper in this District under 28 U.S.C. § 1391(a)(1) because Defendant's
7 principal place of business is located in this District and a substantial part of the events giving rise
8 to this action occurred in this District.

9 **FACTUAL ALLEGATIONS**

10 ***The Data Breach***

11 21. On or before September 7, 2023, Caesars identified suspicious activity in its IT
12 network resulting from a social engineering attack on an outsourced IT support vendor used by the
13 Company. Through its investigation, Caesars determined that an unauthorized actor acquired,
14 among other data, a copy of its loyalty program database including driver's license numbers and
15 Social Security numbers. The Data Breach may have included the PII of tens of millions of Caesars
16 loyalty members.⁸

17 22. According to news reports, the unauthorized actor is a hacking group known as
18 Scattered Sider (or UNC3944) which is known for using social engineering to trick employees of
19 the target company into granting them access to their network.⁹ It has also been reported that
20 Caesars paid as much as \$15,000,000.00 to the unauthorized actor as ransom following the Data
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22 ⁸ <https://fortune.com/2023/09/15/caesars-entertainment-cyberattack-mgm-resorts-data-breach/> (last
23 visited Oct. 10, 2023).

24 ⁹ <https://techcrunch.com/2023/09/14/caesars-entertainment-data-breach-cyberattack/> (last visited
25 Oct. 10, 2023).

1 Breach.¹⁰

2 23. On or around September 14, 2023, Caesars filed a Form 8-K with the SEC to alert
3 investors and shareholders that the Data Breach represented a material event that could materially
4 affect the value of the company.¹¹

5 24. Also, around that time, Caesars published an informational website regarding the
6 Data Breach. While the website did not provide much detail about the scope and breadth of the
7 Breach, it did state that at a minimum the driver's license numbers and Social Security numbers of
8 loyalty program members had been accessed.¹² Caesars stated that it is offering credit monitoring
9 and identity theft protection services to all loyalty program members. However, Caesars has failed
10 to adequately inform victims that their private information had been breached and instead placed
11 the burden on loyalty members to investigate what happened and possibly stumble onto its
12 informational website. Caesars has yet to send notices to Plaintiff or Class member to personally
13 and specifically inform them that their PII – and what other PII -- was compromised in the Data
14 Breach.

15 25. Caesars is responsible for allowing the Data Breach to occur because it failed to
16 implement and maintain reasonable safeguards, failed to comply with industry-standard data
17 security practices, as well as federal and state laws and regulations governing data security, and
18 failed to supervise, monitor, and oversee all third parties it hired who had access to Plaintiff's and
19 the Class members' PII.

20 26. During the Data Breach, Caesars failed to adequately monitor its information
21 technology infrastructure and its third-party IT support vendor. Had Caesars done so, it would have
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23 ¹⁰ [https://nypost.com/2023/09/14/caesars-entertainment-paid-about-15m-to-hackers-who-stole-](https://nypost.com/2023/09/14/caesars-entertainment-paid-about-15m-to-hackers-who-stole-customer-social-security-numbers-other-info-report/)
24 [customer-social-security-numbers-other-info-report/](https://nypost.com/2023/09/14/caesars-entertainment-paid-about-15m-to-hackers-who-stole-customer-social-security-numbers-other-info-report/) (last visited Oct. 10, 2023).

25 ¹¹ SEC Form 8-K, *supra* n. 3.

26 ¹² See Caesars's Online Notice, *supra* n. 2.

1 prevented or mitigated the scope and impact of the Data Breach.

2 27. Plaintiff and Class members provided their PII to Caesars with the reasonable
3 expectation and mutual understanding that Caesars would comply with its obligations to keep such
4 information confidential and secure from unauthorized access.

5 28. Caesars's data security obligations were particularly important given the substantial
6 increase in cyber and ransomware attacks and data breaches in the gaming and hospitality industries
7 preceding the date of the Data Breach, as well as given the incredibly sensitive nature of PII that it
8 retained in its servers.

9 29. By obtaining, collecting, and using Plaintiff's and Class members' PII, Caesars
10 assumed legal and equitable duties and knew or should have known that it was responsible for
11 protecting Plaintiff's and Class members' PII from disclosure.

12 30. As a result of Caesars's failure to protect sensitive PII it was entrusted with, Plaintiff
13 and Class members are at a significant risk of identity theft, financial fraud, and other identity-
14 related fraud into the indefinite future. Plaintiff and Class members have also lost the inherent value
15 of their PII.

16 ***Caesars Was on Notice of Data Breach Threats and the Inadequacy of Its Data Security***

17 31. Caesars's data security obligations were especially important given the substantial
18 increase in cyberattacks and data breaches in recent years. In 2022, there were 1,802 reported data
19 breaches, affecting approximately 422 million individuals.¹³

20 32. Caesars should have been aware—and was aware—that it was at risk of an internal
21 data breach that could expose the PII that it collected and maintained.

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27 ¹³ 2022 *Data Breach Report*, IDENTITY THEFT RES. CTR., [https://www.idtheftcenter.org/wp-](https://www.idtheftcenter.org/wp-content/uploads/2023/01/ITRC_2022-Data-Breach-Report_Final-1.pdf)
28 [content/uploads/2023/01/ITRC_2022-Data-Breach-Report_Final-1.pdf](https://www.idtheftcenter.org/wp-content/uploads/2023/01/ITRC_2022-Data-Breach-Report_Final-1.pdf), at 2 (last visited Aug. 15,
2023).

33. Despite this, Caesars failed to take the necessary precautions required to safeguard Plaintiff's and Class members' PII from unauthorized access.

Caesars Failed to Comply with Statutory and Regulatory Obligations

34. Federal and State governments have established security standards and issued recommendations to minimize data breaches and the resulting harm to individuals and financial institutions. The Federal Trade Commission ("FTC") has issued numerous guides for businesses that highlight the importance of reasonable data security practices. According to the FTC, the need for data security should be factored into all business decision-making.¹⁴

35. In 2016, the FTC updated its publication, Protecting Personal Information: A Guide for Business, which establishes guidelines for fundamental data security principles and practices for business.¹⁵ Among other things, the guidelines note businesses should properly dispose of personal information that is no longer needed; encrypt information stored on computer networks; understand their network's vulnerabilities; and implement policies to correct security problems. The guidelines also recommend that businesses use an intrusion detection system to expose a breach as soon as it occurs; monitor all incoming traffic for activity indicating that someone is attempting to hack the system; watch for large amounts of data being transmitted from the system; and have a response plan ready in the event of a breach.¹⁶

36. Additionally, the FTC recommends that companies limit access to sensitive data, require complex passwords for network access, use industry-tested methods for security, monitor

¹⁴ See *Start With Security: A Guide for Business*, FTC (June 2015), <https://www.ftc.gov/system/files/documents/plain-language/pdf0205-startwithsecurity.pdf> (last visited Oct. 10, 2023).

¹⁵ *Protecting Personal Information: A Guide for Business*, FTC (Oct. 2016), <https://www.ftc.gov/business-guidance/resources/protecting-personal-information-guide-business> (last visited Oct. 10, 2023).

¹⁶ *Id.*

1 for suspicious activity on the network, and verify that third-party service providers have
2 implemented reasonable security measures.¹⁷

3 37. The FTC has brought enforcement actions against businesses for failing to
4 adequately and reasonably protect PII, treating the failure to employ reasonable and appropriate
5 measures to protect against unauthorized access to confidential consumer data as an unfair act or
6 practice prohibited by Section 5 of the Federal Trade Commission Act (“FTC Act”), 15 U.S.C. §
7 45. Orders resulting from these actions further clarify the measures businesses must take to meet
8 their data security obligations.¹⁸

9 38. Caesars also failed to comply with commonly accepted industry standards for data
10 security. Security standards commonly accepted among businesses that store PII using the internet
11 include, without limitation:
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- 13 • Maintaining a secure firewall configuration;
- 14 • Maintaining appropriate design, systems, and controls to limit user access to certain
- 15 information as necessary;
- 16 • Monitoring for suspicious or irregular traffic to servers;
- 17 • Monitoring for suspicious credentials used to access servers;
- 18 • Monitoring for suspicious or irregular activity by known users;
- 19 • Monitoring for suspicious or unknown users;
- 20 • Monitoring for suspicious or irregular server requests;
- 21 • Monitoring for server requests for PII;
- 22 • Monitoring for server requests from VPNs; and
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27 ¹⁷ See *Start With Security: A for Business*, FTC, *supra* n.14.

28 ¹⁸ *Privacy and Security Enforcement Press Releases*, FTC, <https://www.ftc.gov/news-events/media-resources/protecting-consumer-privacy/privacy-security-enforcement> (last visited Oct. 10, 2023).

- Monitoring for server requests from Tor exit nodes.

39. Caesars is also required by various states' laws and regulations to protect Plaintiff's and Class members' PII and to handle any breach of the same in accordance with applicable breach notification statutes.

40. In addition to its obligations under federal and state laws, Caesars owed a duty to Plaintiff and Class members whose PII were entrusted to Caesars to exercise reasonable care in obtaining, retaining, securing, safeguarding, deleting, and protecting the PII in its possession from being compromised, lost, stolen, accessed, and misused by unauthorized persons. Caesars owed a duty to Plaintiff and Class members to provide reasonable security, including consistency with industry standards and requirements, and to ensure that its systems and networks adequately protected the PII of Plaintiff and Class members.

41. Caesars owed a duty to Plaintiff and Class members whose PII was entrusted to Caesars to design, maintain, and test its systems to ensure that the PII in Caesars's possession was adequately secured and protected.

42. Caesars owed a duty to Plaintiff and Class members whose PII was entrusted to Caesars to create and implement reasonable data security practices and procedures to protect the PII in its possession.

43. Caesars owed a duty to Plaintiff and Class members whose PII was entrusted to Caesars to implement processes that would detect a breach on its data security systems in a timely manner.

44. Caesars owed a duty to Plaintiff and Class members whose PII was entrusted to Caesars to act upon data security warnings and alerts in a timely fashion.

45. Caesars owed a duty to Plaintiff and class members whose PII was entrusted to Caesars to disclose if its systems and data security practices were inadequate to safeguard

1 individuals' PII from theft because such an inadequacy would be a material fact in the decision to
 2 entrust PII to Caesars.

3 46. Caesars owed a duty to Plaintiff and Class members whose PII was entrusted to
 4 Caesars to disclose in a timely and accurate manner when data breaches occurred.

5 47. Caesars owed a duty of care to Plaintiff and Class members because they were
 6 foreseeable and probable victims of any inadequacy in its affirmative development of the systems
 7 to maintain PII and in its affirmative maintenance of those systems.

8 48. In this case, Caesars was fully aware of its obligation to use reasonable measures to
 9 protect the PII of its customers. Caesars also knew it was a target for hackers. But despite
 10 understanding the consequences of inadequate data security, Caesars failed to comply with
 11 industry-standard data security requirements.

12 *The Effect of the Data Breach on Impacted Consumers*

13 49. The exponential cost to Plaintiff and Class members resulting from the Data Breach
 14 cannot be overstated. Criminals can use victims' PII to open new financial accounts, incur charges
 15 in credit, obtain governmental benefits and identifications, fabricate identities, and file fraudulent
 16 tax returns well before a person whose PII was stolen becomes aware of it.¹⁹ Any one of these
 17 instances of identity theft can have devastating consequences for the victim, causing years of often
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 23 ¹⁹ See *Personal Information: Data Breaches Are Frequent, but Evidence of Resulting Identity Theft*
 24 *Is Limited; However, the Full Extent Is Unknown*, GAO-07-737 (June 2007),
 25 <https://www.gao.gov/new.items/d07737.pdf> (last visited Oct. 10, 2023); Melanie Lockert, *How do*
 26 *hackers use your information for identity theft?*, CREDITKARMA (Oct. 1, 2021),
 27 <https://www.creditkarma.com/id-theft/i/how-hackers-use-your-information> (last visited Oct. 10,
 28 2023); Ravi Sen, *Here's how much your personal information is worth to cybercriminals – and what*
they do with it, PBS (May 14, 2021), [https://www.pbs.org/newshour/science/heres-how-much-your-](https://www.pbs.org/newshour/science/heres-how-much-your-personal-information-is-worth-to-cybercriminals-and-what-they-do-with-it)
[personal-information-is-worth-to-cybercriminals-and-what-they-do-with-it](https://www.pbs.org/newshour/science/heres-how-much-your-personal-information-is-worth-to-cybercriminals-and-what-they-do-with-it) (last visited Oct. 10,
 2023); Alison Grace Johansen, *4 Lasting Effects of Identity Theft*, LIFELOCK BY NORTON (Feb. 4,
 2021), <https://lifelock.norton.com/learn/identity-theft-resources/lasting-effects-of-identity-theft> (last
 visited Oct. 10, 2023).

1 irreversible damage to their credit scores, financial stability, and personal security.

2 50. Defendant was or should have been aware that it was collecting highly valuable
3 data, which has increasingly been the target of data breaches in recent years.

4 51. The link between a data breach and the risk of identity theft is simple and well
5 established. Criminals acquire and steal PII to monetize the information. Criminals monetize the
6 data by selling the stolen information on the black market to other criminals who then utilize the
7 information to commit a variety of identity theft related crimes discussed below.

8 52. The exposure of any PII can cause unexpected harms one would not ordinarily
9 associate with the type of information stolen. Cybercriminals routinely aggregate Private
10 Information from multiple illicit sources and use stolen information to gather even more information
11 through social engineering, credential stuffing, and other methods. The resulting complete dossiers
12 of PII are particularly prized among cybercriminals because they expose the target to every manner
13 of identity theft and fraud.

14 53. Identity thieves can use PII such as that exposed in the Data Breach to: (a) apply for
15 credit cards or loans (b) purchase prescription drugs or other medical services (c) commit
16 immigration fraud; (d) obtain a fraudulent driver's license or ID card in the victim's name; (e) obtain
17 fraudulent government benefits or insurance benefits; (f) file a fraudulent tax return using the
18 victim's information; (g) commit espionage; or (h) commit any number of other frauds, such as
19 obtaining a job, procuring housing, or giving false information to police during an arrest.

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22 ***Diminution of Value of PII***

23 54. PII is valuable property.²⁰ Its value is axiomatic, considering the value of Big Data

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27 ²⁰ See *Personal Information: Data Breaches Are Frequent, but Evidence of Resulting Identity Theft*
28 *Is Limited; However, the Full Extent Is Unknown*, GAO-07-737 (June 2007),
<https://www.gao.gov/new.items/d07737.pdf>, at 2 (last visited Oct. 10, 2023).

in corporate America and that the consequences of cyber thefts include heavy prison sentences. Even this obvious risk-to-reward analysis illustrates, beyond doubt, that PII has considerable market value.

55. The PII stolen in the Data Breach is significantly more valuable than the loss of credit card information in a large retailer data breach. Victims affected by those retailer breaches could avoid much of the potential future harm by simply cancelling credit or debit cards and obtaining replacements.

56. This type of data commands a much higher price on the dark web. As Martin Walter, senior director at cybersecurity firm RedSeal, explained: “Compared to credit card information, personally identifiable information ... [is] worth more than 10x on the black market.”²¹

57. Sensitive PII can sell for as much as \$363 per record according to the Infosec Institute.²²

58. An active and robust legitimate marketplace for PII also exists. In 2019, the data brokering industry was worth roughly \$200 billion.²³ Indeed, a Social Security number, date of birth, and full name can sell for \$60 to \$80 on the digital black market.²⁴

²¹ Tim Greene, *Anthem Hack: Personal Data Stolen Sells for 10x Price of Stolen Credit Card Numbers*, IT WORLD (Feb. 6, 2015), <https://www.networkworld.com/article/2880366/anthem-hack-personal-data-stolen-sells-for-10x-price-of-stolen-credit-card-numbers.html> (last visited Oct. 10, 2023).

²² See, e.g., John T. Soma, et al., *Corporate Privacy Trend: The “Value” of Personally Identifiable Information (“Private Information”) Equals the “Value” of Financial Assets*, 15 RICH. J.L. & TECH. 11, at *3-4 (2009) (“Private Information, which companies obtain at little cost, has quantifiable value that is rapidly reaching a level comparable to the value of traditional financial assets.”) (citations omitted).

²³ David Lazarus, *Column: Shadowy data brokers make the most of their invisibility cloak*, L.A. TIMES (Nov. 5, 2019), <https://www.latimes.com/business/story/2019-11-05/column-data-brokers> (last visited Oct. 10, 2023).

²⁴ Michael Kan, *Here’s How Much Your Identity Goes for on the Dark Web*, PCMAG (Nov. 15, 2017), <https://www.pcmag.com/news/heres-how-much-your-identity-goes-for-on-the-dark-web> (last visited Oct. 10, 2023).

1 59. As a result of the Data Breach, Plaintiff's and Class members' PII, which has an
2 inherent market value in both legitimate and dark markets, has been damaged and diminished by
3 its compromise and unauthorized release. However, this transfer of value occurred without any
4 consideration paid to Plaintiff or Class members for their property, resulting in an economic loss.
5 Moreover, the PII is now readily available, and the rarity of the data has been lost, thereby causing
6 additional loss of value.
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8 60. The fraudulent activity resulting from the Data Breach may not come to light for
9 years.
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11 61. Plaintiff and Class members now face years of constant surveillance of their
12 financial and personal records, monitoring, and loss of rights. Plaintiff and Class members are
13 incurring and will continue to incur such damages in addition to any fraudulent use of their PII.
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15 62. Defendant was, or should have been, fully aware of the unique type and the
16 significant volume of data on Defendant's network, amounting to millions of individuals' detailed
17 PII and thus the significant number of individuals who would be harmed by the exposure of the
18 unencrypted data.
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20 63. The injuries to Plaintiff and Class members were directly and proximately caused
21 by Defendant's failure to implement or maintain adequate data security measures for the PII of
22 Plaintiff and Class members.

Loss of Time to Mitigate the Risk of Identity Theft and Fraud

23 64. As a result of the recognized risk of identity theft, when a data breach occurs and
24 an individual is notified by a company that their PII was compromised, as in this Data Breach, the
25 reasonable person is expected to take steps and spend time to address the dangerous situation, learn
26 about the breach, and otherwise mitigate the risk of becoming a victim of identity theft or fraud.
27 Failure to spend time taking steps to review accounts or credit reports could expose the individual
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1 to greater financial harm.

2 65. Class members have spent, and will spend, time on a variety of prudent actions, such
3 as researching and verifying the legitimacy of the Data Breach upon seeing news reports, and
4 monitoring their credit reports and financial accounts for suspicious activity, as Caesars advised in
5 its online notice.²⁵

6 66. These mitigation efforts are consistent with the U.S. Government Accountability
7 Office that released a report in 2007 regarding data breaches, in which it noted that victims of
8 identity theft will face “substantial costs and time to repair the damage to their good name and
9 credit record.”²⁶

10 67. Plaintiff’s mitigation efforts are also consistent with the steps the FTC recommends
11 data breach victims take to protect their personal and financial information after a data breach,
12 including: contacting one of the credit bureaus to place a fraud alert (and considering an extended
13 fraud alert that lasts for seven years if someone steals their identity), reviewing their credit reports,
14 contacting companies to remove fraudulent charges from their accounts, placing a credit freeze on
15 their credit, and correcting their credit reports.²⁷

16 68. Plaintiff and Class members now face years of constant surveillance of their
17 financial and personal records, monitoring, and loss of rights. Plaintiff and Class members are
18 incurring and will continue to incur such damages in addition to any fraudulent use of their PII.

19 69. Defendant was, or should have been, fully aware of the unique type and the
20 significant volume of data on Defendant’s network, amounting to millions of individuals’ detailed
21 PII and, thus, the significant number of individuals who would be harmed by the exposure of the
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27 ²⁵ See Caesars’s Online Notice, *supra* n. 2.

28 ²⁶ See *Personal Information: Data Breaches Are Frequent, but Evidence of Resulting Identity Theft Is Limited; However, the Full Extent Is Unknown*, GAO-07-737, *supra* n. 20.

²⁷ See *Identity Theft.gov*, FTC, <https://www.identitytheft.gov/Steps> (last visited Aug. 15, 2023).

1 unencrypted data.

2 70. The injuries to Plaintiff and Class members were directly and proximately caused
3 by Defendant's failure to implement or maintain adequate data security measures for the PII of
4 Plaintiff and Class members.

5
6 ***Impact of Identity Theft Can Have Ripple Effects***

7 71. Reimbursing a consumer for a financial loss due to fraud does not make that
8 individual whole again. On the contrary, in addition to the irreparable damage that may result from
9 the theft of a Social Security number, identity theft victims must spend numerous hours and their
10 own money repairing the impact to their credit. The Department of Justice's Bureau of Justice
11 Statistics found that identity theft victims "reported spending an average of about 7 hours clearing
12 up the issues" and resolving the consequences of fraud in 2014.

13
14 72. And, the impact of identity theft can have ripple effects, which can adversely affect
15 the future financial trajectories of victims' lives. For example, the Identity Theft Resource Center
16 reports that respondents to their surveys in 2013-2016 described that the identity theft they
17 experienced affected their ability to get credit cards and obtain loans such as student loans or
18 mortgages.²⁸ For some victims, this could mean the difference between going to college or not,
19 becoming a homeowner or not, or having to take out a high interest payday loan versus a lower-
20 interest loan.

21
22 73. It is no wonder then that identity theft exacts a severe emotional toll on its victims.

23 74. The 2017 Identity Theft Resource Center survey²⁹ evidences the emotional
24 suffering experienced by victims of identity theft:

25
26
27 ²⁸ *Identity Theft: The Aftermath 2017*, IDENTITY THEFT RES. CTR., [https://www.idtheftcenter.org/wp-](https://www.idtheftcenter.org/wp-content/uploads/images/page-docs/Aftermath_2017.pdf)
28 [content/uploads/images/page-docs/Aftermath_2017.pdf](https://www.idtheftcenter.org/wp-content/uploads/images/page-docs/Aftermath_2017.pdf) (last visited Aug. 15, 2023).

²⁹ *Id.*

- 75% of respondents reported feeling severely distressed;
- 67% reported anxiety;
- 66% reported feelings of fear for the financial safety of family members;
- 24% reported fear for their physical safety;
- 15.2% reported that a relationship ended or was severely and negatively impacted by the identity theft; and
- 7% reported feeling suicidal.

75. Identity theft can also exact a physical toll on its victims. The same survey reported that respondents experienced physical symptoms stemming from their experience with identity theft:

- 48.3% of respondents reported sleep disturbances;
- 37.1% reported an inability to concentrate and/or lack of focus;
- 28.7% reported that they were unable to go to work because of physical symptoms;
- 23.1% reported new physical illnesses, including aches and pains, heart palpitations, sweating, and/or stomach issues;
- 12.6% reported a start or relapse into unhealthy or addictive behaviors.³⁰

76. There may also be a significant time lag between when PII is stolen and when it is actually misused. According to the U.S. Government Accountability Office, which conducted a study regarding data breaches:

[L]aw enforcement officials told us that in some cases, stolen data may be held for up to a year or more before being used to commit identity theft. Further, once stolen data have been sold or posted on the Web, fraudulent use of that information may continue for years. As a result, studies that attempt

³⁰ *Id.*

to measure the harm resulting from data breaches cannot necessarily rule out all future harm.³¹

77. As the result of the Data Breach, Plaintiff and class members have suffered and/or will suffer or continue to suffer economic loss, a substantial risk of future identity theft, and other actual harm for which they are entitled to damages, including, but not limited to, the following:

- Losing the inherent value of their PII;
- Losing the value of Defendant's implicit promises of adequate data security;
- Identity theft and fraud resulting from the theft of their PII;
- Costs associated with the detection and prevention of identity theft and unauthorized use of their PII;
- Costs associated with purchasing credit monitoring and identity theft protection services;
- Unauthorized charges and loss of use of and access to their financial account funds and costs associated with inability to obtain money from their accounts or being limited in the amount of money they were permitted to obtain from their accounts, including missed payments on bills and loans, late charges and fees, and adverse effects on their credit;
- Lowered credit scores resulting from credit inquiries following fraudulent activities;
- Costs associated with time spent and the loss of productivity or the enjoyment of one's life from taking time to address and attempt to mitigate and address the actual and future consequences of the Data Breach, including discovering fraudulent charges, cancelling and reissuing cards, purchasing credit monitoring and identity theft protection services, imposing withdrawal and purchase limits on compromised

³¹ *Personal Information: Data Breaches Are Frequent, but Evidence of Resulting Identity Theft Is Limited; However, the Full Extent Is Unknown*, GAO-07-737, *supra* n. 20.

accounts, and the stress, nuisance and annoyance of dealing with the repercussions of the Data Breach; and

- The continued imminent and certainly impending injury flowing from potential fraud and identity theft posed by their PII being in the possession of one or many unauthorized third parties.

78. Additionally, Plaintiff and Class members place significant value in data security.

79. Because of the value consumers place on data privacy and security, companies with robust data security practices can command higher prices than those who do not. Indeed, if consumers did not value their data security and privacy, companies like Defendant would have no reason to tout their data security efforts to their actual and potential customers.

80. Consequently, had consumers known the truth about Defendant's data security practices—that Defendants would not adequately protect and store their data—they would not have entrusted their PII to Defendant, purchased insurance that included Defendant's services, or paid as much for such services or benefits.

81. As such, Plaintiff and Class members did not receive the benefit of their bargain with Defendant because they entrusted their PII and purchased accommodations, dining, gaming and other goods and services with the reasonable expectation that Defendant would adequately protect and store their data, which it did not.

CLASS ACTION ALLEGATIONS

82. Plaintiff repeats and realleges each and every fact, matter, and allegation set forth above and incorporates them at this point by reference as though set forth in full.

83. Plaintiff brings this action on behalf of herself and the members of the proposed Class, which consists of:

1 All individuals residing in the United States whose personal identifiable
2 information was compromised as a result of the Data Breach.

3
4 84. Excluded from the Class are Defendant, any entity in which Defendant has a
5 controlling interest, and Defendant's officers, directors, legal representatives, successors,
6 subsidiaries, and assigns. Also excluded from the Class is any judge, justice, or judicial officer
7 presiding over this matter and members of their immediate families and judicial staff.
8

9 85. Plaintiff reserves the right to amend the above definition or to propose subclasses
10 before the Court determines whether certification is appropriate.

11 86. **Numerosity:** The proposed Class is so numerous that joinder of all members is
12 impracticable. Defendant has reported that the total number of individuals affected in the Data
13 Breach may be in the tens of millions.

14 87. **Typicality:** Plaintiff's claims are typical of the claims of the Class. Plaintiff and all
15 members of the Class were injured through Defendant's uniform misconduct. The same event and
16 conduct that gave rise to Plaintiff's claims are identical to those that give rise to the claims of every
17 other Class member because Plaintiff and each member of the Class had their sensitive PII
18 compromised in the same way by the same conduct of Defendant.
19

20 88. **Adequacy:** Plaintiff is an adequate representative of the Class because Plaintiff's
21 interests do not conflict with the interests of the Class; Plaintiff has retained competent counsel
22 who are experienced in prosecuting complex class action and data breach class action litigation;
23 and Plaintiff and Plaintiff's counsel intend to prosecute this action vigorously. The interests of the
24 Class will be fairly and adequately protected by Plaintiff and his counsel.
25

26 89. **Superiority:** A class action is superior to all other available methods for the fair and
27 efficient adjudication of this lawsuit because individual litigation of the claims of all members of
28

1 the Class is economically unfeasible and procedurally impracticable. The injury suffered by each
2 individual member of the Class is relatively small in comparison to the burden and expense of
3 individual prosecution of litigation. It would be very difficult for members of the Class to
4 effectively redress Defendant's wrongdoing. Further, individualized litigation presents a potential
5 for inconsistent or contradictory judgments.
6

7 90. **Commonality and Predominance:** There are numerous questions of law and fact
8 common to the Class which predominate over any questions affecting only individual members of
9 the Class.

10 91. Among the questions of law and fact common to the Class are:

- 11 a. Whether Defendant engaged in the wrongful conduct alleged herein;
- 12 b. Whether Defendant failed to adequately safeguard Plaintiff's and the Class's PII;
- 13 c. Whether Defendant failed to ensure the third-party vendor it hired had adequate data
14 security, procedures, practices, and protocols;
- 15 d. Whether Defendant negligently hired and/or failed to supervise the third-party
16 vendor it hired and gave access to Plaintiff's and the Class's PII;
- 17 e. Whether Defendant owed a duty to Plaintiff and the Class to adequately protect their
18 PII, and whether it breached this duty;
- 19 f. Whether Defendant breached its duties to Plaintiff and the Class as a result of the
20 Data Breach;
- 21 g. Whether Defendant's conduct, including its failure to act, resulted in or was the
22 proximate cause of the breach;
- 23 h. Whether Defendant was negligent in permitting the third-party access to Plaintiff's
24 and the Class's PII;
- 25 i. Whether Defendant was negligent in failing to adhere to reasonable retention
26
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28

1 policies, thereby greatly increasing the size of the Data Breach;

- 2 j. Whether Defendant failed to adequately respond to the Data Breach, including
- 3 failing to investigate it diligently and notify affected individuals in the most
- 4 expedient time possible and without unreasonable delay, and whether this caused
- 5 damages to Plaintiff and the Class;
- 6
- 7 k. Whether Defendant continues to breach duties to Plaintiff and the Class;
- 8 l. Whether Plaintiff and the Class suffered injury as a proximate result of Defendant's
- 9 negligent actions or failures to act;
- 10 m. Whether Plaintiff and the Class are entitled to recover damages, equitable relief, and
- 11 other relief; and
- 12 n. Whether Defendant's actions alleged herein constitute gross negligence, and
- 13 whether Plaintiff and Class members are entitled to punitive damages.
- 14

15 **CAUSES OF ACTION**

16 **FIRST CAUSE OF ACTION**

17 **NEGLIGENCE**

18 **(By Plaintiff and on Behalf of the Class)**

19 92. Plaintiff repeats and realleges each and every fact, matter, and allegation set forth

20 above and incorporates them at this point by reference as though set forth in full.

21 93. Defendant owed a duty of care to Plaintiff and Class members to use reasonable

22 means to secure and safeguard the entrusted PII, to prevent its unauthorized access and disclosure,

23 to guard it from theft, and to detect any attempted or actual breach of its systems, as alleged herein.

24 These common law duties existed because Plaintiff and Class members were the foreseeable and

25 probable victims of any inadequate security practices in Defendant's affirmative development and

26 maintenance of its data security systems and its hiring of third-party providers entrusted with

27 accessing, storing, safeguarding, handling, collecting, and/or protecting Plaintiff's and Class

28 members' PII. In fact, not only was it foreseeable that Defendant and Class members would be

1 harmed by the failure to protect their PII because hackers routinely attempt to steal such
2 information and use it for nefarious purposes, Defendant also knew that it was more likely than not
3 that Plaintiff and other Class members would be harmed by such exposure and theft of their PII.

4
5 94. Defendant's duties to use reasonable security measures also arose as a result of a
6 special relationship with Plaintiff and Class members as a result of being entrusted with their PII,
7 which provided an independent duty of care. Plaintiff's and Class members' willingness to entrust
8 Defendant with their PII was predicated on the understanding that Defendant would take adequate
9 security precautions. Moreover, Defendant was capable of protecting its network and systems, and
10 the PII it stored on them, from unauthorized access.

11
12 95. Defendant's duties to use reasonable data security measures also arose under
13 Section 5 of the FTC Act, 15 U.S.C. § 45, which prohibits "unfair . . . practices in or affecting
14 commerce," including, as interpreted and enforced by the FTC, the unfair practice of failing to use
15 reasonable measures to protect PII. Various FTC publications and data security breach orders
16 further form the basis of Defendant's duties.

17
18 96. Defendant breached the aforementioned duties when it failed to use security
19 practices that would protect the PII provided to it by Plaintiff and Class members, thus resulting in
20 unauthorized exposure and access to Plaintiff's and Class members' PII.

21
22 97. Defendant further breached the aforementioned duties by failing to design, adopt,
23 implement, control, manage, monitor, update, and audit its processes, controls, policies,
24 procedures, and protocols to comply with the applicable laws and safeguard and protect Plaintiff's
25 and Class members' PII within its possession, custody, and control.

26
27 98. As a direct and proximate cause of Defendant's failure to use appropriate security
28 practices and failure to select a third-party provider with adequate data security measures, Mr.
Plaintiff's and Class members' PII was exposed, disseminated, and made available to unauthorized

1 third parties.

2 99. Defendant admitted that Plaintiff's and Class members' PII was wrongfully
3 disclosed as a result of the Data Breach.

4 100. The Data Breach caused direct and substantial damages to Plaintiff and Class
5 members, as well as the likelihood of future and imminent harm through the dissemination of their
6 PII and the greatly enhanced risk of credit fraud and identity theft.

7 101. By engaging in the foregoing acts and omissions, Defendant committed the common
8 law tort of negligence. For all the reasons stated above, Defendant's conduct was negligent and
9 departed from reasonable standards of care including by, but not limited to: failing to adequately
10 limit access to and protect the PII; failing to conduct regular security audits; and failing to provide
11 adequate and appropriate supervision of persons having access to Plaintiff's and Class members'
12 PII.
13

14 102. But for Defendant's wrongful and negligent breach of its duties owed to Plaintiff
15 and Class members, their PII would not have been compromised.
16

17 103. Neither Plaintiff nor Class members contributed to the Data Breach or subsequent
18 misuse of their PII as described in this Complaint.

19 104. As a direct and proximate result of Defendant's negligence, Plaintiff and Class
20 members have been injured and are entitled to damages in an amount to be proven at trial. Such
21 injuries include one or more of the following: ongoing, imminent, certainly impending threat of
22 identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic harm; actual
23 identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic harm; loss
24 of the value of their privacy and the confidentiality of the stolen PII; illegal sale of the compromised
25 PII on the black market; mitigation expenses and time spent on credit monitoring, identity theft
26 insurance, and credit freezes and unfreezes; time spent in response to the Data Breach investigating
27
28

1 the nature of the Data Breach not fully disclosed by Defendant, reviewing bank statements,
2 payment card statements, and credit reports; expenses and time spent initiating fraud alerts;
3 decreased credit scores and ratings; lost work time; lost value of the PII; lost benefit of their
4 bargains and overcharges for services; and other economic and non-economic harm.

5
6 **SECOND CAUSE OF ACTION**
7 **NEGLIGENCE *PER SE***
8 **(By Plaintiff and on Behalf of the Class)**

9 105. Plaintiff repeats and realleges each and every fact, matter, and allegation set forth
10 above and incorporates them at this point by reference as though set forth in full.

11 106. Section 5 of the FTC Act, 15 U.S.C. § 45, prohibits “unfair . . . practices in or
12 affecting commerce” including, as interpreted and enforced by the FTC, the unfair act or practice
13 by Defendant of failing to use reasonable measures to protect PII. Various FTC publications and
14 orders also form the basis of Defendant’s duty.

15 107. Defendant violated Section 5 of the FTC Act (and similar state statutes) by failing
16 to use reasonable measures to protect PII and not complying with industry standards. Defendant’s
17 conduct was particularly unreasonable given the nature and amount of PII obtained and stored and
18 the foreseeable consequences of a data breach.

19 108. Defendant’s violation of Section 5 of the FTC Act (and similar state statutes)
20 constitutes negligence *per se*.

21 109. Plaintiff and Class members are consumers within the class of persons Section 5 of
22 the FTC Act (and similar state statutes) were intended to protect.

23 110. Moreover, the harm that has occurred is the type of harm the FTC Act (and similar
24 state statutes) was intended to guard against. Indeed, the FTC has pursued over fifty enforcement
25 actions against businesses which, as a result of Defendants’ failure to employ reasonable data
26 security measures and avoid unfair and deceptive practices, caused the same harm suffered by
27
28

1 Plaintiff and Class members.

2 111. As a direct and proximate result of Defendant's negligence, Plaintiff and Class
3 members have been injured and are entitled to damages in an amount to be proven at trial. Such
4 injuries include one or more of the following: ongoing, imminent, certainly impending threat of
5 identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic harm; actual
6 identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic harm; loss
7 of the value of their privacy and the confidentiality of the stolen PII; illegal sale of the compromised
8 PII on the black market; mitigation expenses and time spent on credit monitoring, identity theft
9 insurance, and credit freezes and unfreezes; time spent in response to the Data Breach investigating
10 the nature of the Data Breach not fully disclosed by Defendant, reviewing bank statements,
11 payment card statements, and credit reports; expenses and time spent initiating fraud alerts;
12 decreased credit scores and ratings; lost work time; lost value of the PII; lost benefit of their
13 bargains and overcharges for services; and other economic and non-economic harm.

14
15
16 **THIRD CAUSE OF ACTION**
17 **BREACH OF IMPLIED CONTRACT**
18 **(By Plaintiff and on Behalf of the Class)**

19 112. Plaintiff repeats and realleges each and every fact, matter, and allegation set forth
20 above and incorporates them at this point by reference as though set forth in full.

21 113. Plaintiff and Class members entered into an implied contract with Caesars when
22 they obtained products or services from Caesars, joined the loyalty program, or otherwise provided
23 PII to Caesars.

24 114. As part of these transactions, Caesars agreed to safeguard and protect the PII of
25 Plaintiff and Class members and to timely and accurately notify them if their PII was breached or
26 compromised.

27 115. Plaintiff and Class members entered into the implied contracts with the reasonable
28 expectation that Caesars's data security practices and policies were reasonable and consistent with

1 legal requirements and industry standards. Plaintiff and Class members believed that Caesars would
2 use part of the monies paid to Caesars under the implied contracts or the monies obtained from the
3 benefits derived from the PII they provided to fund proper and reasonable data security practices.

4 116. Plaintiff and Class members would not have provided and entrusted their PII to
5 Caesars or would have paid less for Caesars products or services in the absence of the implied
6 contract or implied terms between them and Caesars. The safeguarding of the PII of Plaintiff and
7 Class members was critical to realize the intent of the parties.

8 117. Plaintiff and Class members fully performed their obligations under the implied
9 contracts with Caesars.

10 118. Caesars breached its implied contracts with Plaintiff and Class members to protect
11 their PII when it (1) failed to take reasonable steps to use safe and secure systems to protect that
12 information; and (2) disclosed that information to unauthorized third parties.

13 119. As a direct and proximate result of Caesars's breach of implied contract, Plaintiff
14 and Class members have been injured and are entitled to damages in an amount to be proven at
15 trial. Such injuries include one or more of the following: ongoing, imminent, certainly impending
16 threat of identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic
17 harm; actual identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic
18 harm; loss of the value of their privacy and the confidentiality of the stolen PII; illegal sale of the
19 compromised PII on the black market; mitigation expenses and time spent on credit monitoring,
20 identity theft insurance, and credit freezes and unfreezes; time spent in response to the Data Breach
21 reviewing bank statements, credit card statements, and credit reports, among other related
22 activities; expenses and time spent initiating fraud alerts; decreased credit scores and ratings; lost
23 work time; lost value of the PII; the amount of the actuarial present value of ongoing high-quality
24 identity defense and credit monitoring services made necessary as mitigation measures because of
25 Caesars's Data Breach; lost benefit of their bargains and overcharges for services or products;
26 nominal and general damages; and other economic and non-economic harm.

27
28 **FOURTH CAUSE OF ACTION
UNJUST ENRICHMENT**

(In the alternative)
(By Plaintiff and on Behalf of the Class)

120. Plaintiff repeats and realleges each and every fact, matter, and allegation set forth above and incorporates them at this point by reference as though set forth in full.

121. This claim is pleaded in the alternative to the Breach of Implied contract claim set forth in the Third Cause of Action.

122. Plaintiff and Class members have an interest, both equitable and legal, in the PII about them that was conferred upon, collected by, and maintained by Defendant and that was ultimately stolen in the Data Breach.

123. Defendant benefitted from the conferral upon it of the PII pertaining to Plaintiff and Class members and by its ability to retain, use, sell, and profit from that information. Caesars understood that it was in fact so benefitted.

124. Caesars also understood and appreciated that the PII pertaining to Plaintiff and Class members was private and confidential and its value depended upon Caesars maintaining the privacy and confidentiality of that PII.

125. But for Caesars's willingness and commitment to maintain its privacy and confidentiality, Plaintiff and Class members would not have provided their PII to Caesars or would not have permitted Caesars to gather additional PII.

126. Plaintiff's and Class members' PII has an independent value to Caesars.

127. Caesars admits that it uses the PII it collects for, among other things, "administer[ing] and promot[ing] [its] business," "improv[ing] [its] products and services" and "product[ing] and defend[ing] [its] rights or property or enforce[ing] [its] agreement with [the member]," and that it uses its PII to "internal market research and analytics."³²

128. Because of its use of Plaintiff's and Class members' PII, Caesars sold more services and products than it otherwise would have. Caesars was unjustly enriched by profiting from the

³² <https://www.caesars.com/corporate/privacy> (last visited Oct. 10, 2023).

1 additional services and products it was able to market, sell, and create through the use of Plaintiff's
2 and Class members' PII to the detriment of Plaintiff and Class members.

3 129. Caesars also benefitted through its unjust conduct by retaining money paid by
4 Plaintiff and Class members that it should have used to provide proper data security to protect
5 Plaintiff's and Class members' PII.

6 130. It is inequitable for Caesars to retain these benefits.

7 131. As a result of Caesars's wrongful conduct as alleged in this Complaint (including
8 among other things its failure to employ proper data security measures, its continued maintenance
9 and use of the PII belonging to Plaintiff and Class members without having proper data security
10 measures, and its other conduct facilitating the theft of that PII), Caesars has been unjustly enriched
11 at the expense of, and to the detriment of, Plaintiff and Class members.

12 132. Caesars's unjust enrichment is traceable to, and resulted directly and proximately
13 from, the conduct alleged herein, including the compiling and use of Plaintiff's and Class members'
14 sensitive PII, while at the same time failing to maintain that information secure from intrusion and
15 theft by hackers and identity thieves.

16 133. It is inequitable, unfair, and unjust for Caesars to retain these wrongfully obtained
17 benefits. Caesars's retention of wrongfully obtained monies would violate fundamental principles
18 of justice, equity, and good conscience.

19 134. The benefit conferred upon, received, and enjoyed by Caesars was not conferred
20 officiously or gratuitously, and it would be inequitable, unfair, and unjust for Caesars to retain the
21 benefit.

22 135. Caesars's defective security and its unfair and deceptive conduct have, among other
23 things, caused Plaintiff and Class members to unfairly incur substantial time and/or costs to
24 mitigate and monitor the use of their PII and has caused the Plaintiff and Class members other
25 damages as described herein.

26 136. Plaintiff has no adequate remedy at law.

27 137. Caesars is therefore liable to Plaintiff and Class members for restitution or
28

1 disgorgement in the amount of the benefit conferred on Caesars as a result of its wrongful conduct,
2 including specifically: the value to Caesars of the PII that was stolen in the Data Breach; the profits
3 Caesars received and is receiving from the use of that information; the amounts that Caesars
4 overcharged Plaintiff and Class members for use of Caesars's products and services; and the
5 amounts that Caesars should have spent to provide proper data security to protect Plaintiff's and
6 Class members' PII.

7
8 **FIFTH CAUSE OF ACTION**
9 **BREACH OF CONFIDENCE**
10 **(By Plaintiff and on Behalf of the Class)**

11 138. Plaintiff repeats and realleges each and every fact, matter, and allegation set forth
12 above and incorporates them at this point by reference as though set forth in full.

13 139. Plaintiff and Class members maintained a confidential relationship with Caesars
14 whereby Caesars undertook a duty not to disclose to unauthorized parties the PII that Plaintiff and
15 Class members provide to Caesars. Such PII was confidential and novel, highly personal and
16 sensitive, and not generally known.

17 140. Caesars knew Plaintiff's and Class members' PII was disclosed in confidence and
18 understood the confidence was to be maintained, including by expressly and implicitly agreeing to
19 protect the confidentiality and security of the PII it collected, stored, and maintained.

20 141. As a result of the Data Breach, there was an unauthorized disclosure of Plaintiff's
21 and Class members' PII in violation of this understanding. The unauthorized disclosure occurred
22 because Caesars failed to implement and maintain reasonable safeguards to protect the PII in its
23 possession and failed to comply with industry-standard data security practices.

24 142. Plaintiff and Class members were harmed by way of an unconsented disclosure of
25 their confidential information to an unauthorized third party.

26 143. But for Caesars's actions and inactions in violation of the parties' understanding of
27 confidence, the PII of Plaintiff and Class members would not have been compromised, stolen,
28 viewed, accessed, and used by unauthorized third parties. Caesars's actions and inaction were the
direct and legal cause of the theft of Plaintiff's and Class members' PII, as well as the resulting

1 damages.

2 144. The injury and harm Plaintiff and Class members suffered was the reasonably
3 foreseeable result of Caesars's unauthorized disclosure of Plaintiff's and Class members' PII.
4 Caesars knew its computer systems and technologies for accepting, securing, and storing Plaintiff's
5 and Class members' PII had serious security vulnerabilities because Caesars failed to observe even
6 basic information security practices or correct known security vulnerabilities.

7 145. As a direct and proximate result of Caesars's breach of confidence, Plaintiff and
8 Class members have been injured and are entitled to damages in an amount to be proven at trial.
9 Such injuries include one or more of the following: ongoing, imminent, certainly impending threat
10 of identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic harm;
11 actual identity theft crimes, fraud, and other misuse, resulting in monetary loss and economic harm;
12 loss of the value of their privacy and the confidentiality of the stolen PII; illegal sale of the
13 compromised PII on the black market; mitigation expenses and time spent on credit monitoring,
14 identity theft insurance, and credit freezes and unfreezes; time spent in response to the Data Breach
15 reviewing bank statements, credit card statements, and credit reports, among other related
16 activities; expenses and time spent initiating fraud alerts; decreased credit scores and ratings; lost
17 work time; lost value of the PII; the amount of the actuarial present value of ongoing high-quality
18 identity defense and credit monitoring services made necessary as mitigation measures because of
19 Caesars's Data Breach; lost benefit of their bargains and overcharges for services or products;
20 nominal and general damages; and other economic and non-economic harm.

21 146. By collecting and storing this PII and using it for commercial gain, Caesars has a
22 duty of care to use reasonable means to secure and safeguard this PII to prevent disclosure and
23 guard against theft of the PII.

24 **PRAYER FOR RELIEF**

25 WHEREFORE, Plaintiff and the Class pray for judgment against Defendant as follows:

- 26 a. An order certifying this action as a class action under Federal Rule of Civil Procedure
27
28 23, defining the Class as requested herein, appointing the undersigned as Class

Counsel, and finding that Plaintiff is a proper representative of the Class requested herein;

- b. For injunctive and other equitable relief as necessary to protect the interests of Plaintiff and the Class as requested herein;
- c. For an award of compensatory, consequential, and general damages, including nominal damages, as allowed by law in an amount to be determined;
- d. For an award of restitution or disgorgement, in an amount to be determined;
- e. For an award of attorneys' fees, costs, and litigation expenses, as allowed by law;
- f. For prejudgment interest on all amounts awarded; and
- g. Such other and further relief as the Court may deem just and proper.

DEMAND FOR JURY TRIAL

Plaintiff demands a trial by jury on all triable issues.

Dated: October 12, 2023

Respectfully submitted,

/s/ Nathan Ring

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Counsel for Plaintiff and the Proposed Class

**Pro Hac Vice application forthcoming*